

Special Appropriations

Special Appropriations to the Governor

A total of \$23.0 million is provided to establish a bioenergy assistance program within the Department of Agriculture to reduce the state's dependence on foreign energy and increase the use of agricultural products as a source of energy to supplement or supplant petroleum-based fuels. Also, one-time funding is provided to develop alternative energy production projects in communities adversely affected by major job reductions in the forest and paper products industry.

A total of \$14 million General Fund-State is deposited in the Washington Housing Trust Account to fund various housing assistance programs including: a portion of the Washington Housing Trust Account backlog of eligible projects; Energy Matchmakers Program; vouchers for low-income persons, including homeless persons and victims of domestic violence, and seasonal farm workers; farm worker housing; persons with developmental disabilities; mobile home preservation; Homeless Families Services Fund; and home buyer assistance.

A total of \$4.0 million is provided from the Economic Development Strategic Reserve Account to implement Chapter 427, Laws of 2005 (2SSB 5370). The Governor, upon recommendation of the Director of the Department of Community, Trade, and Economic Development and the Economic Development Commission, may authorize the use of the funds to recruit businesses, support public infrastructure, and provide technical assistance to prevent business closure or relocation outside the state.

An additional \$0.5 million is provided for distribution to local jurisdictions for the purchase of interoperable communications technology to assist communications across agencies and jurisdictions in case of a disaster.

State Employee Compensation

\$1,000 Minimum Monthly Benefit For Plan 1 Retirees

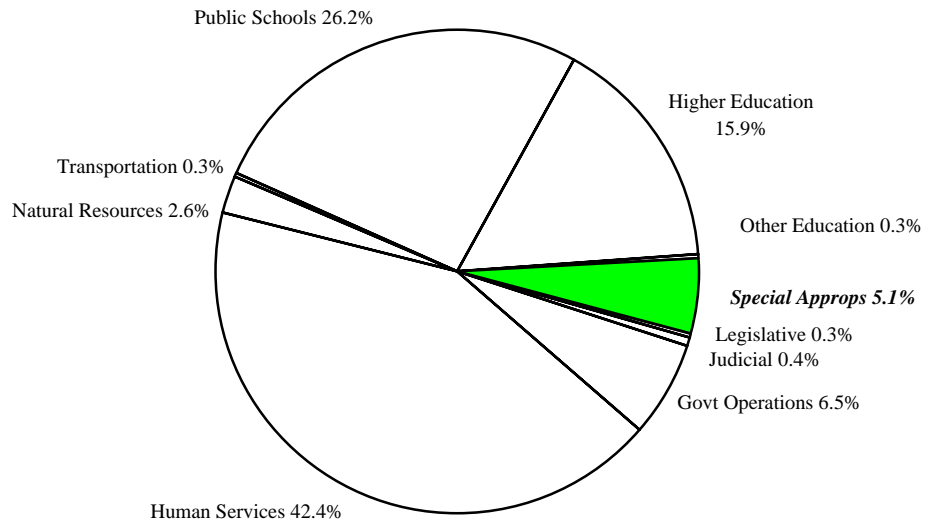
Funding is provided for Chapter 244, Laws of 2006 (SB 6453), which extends eligibility for the alternative minimum benefit in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) to members who have at least 20 years of service and who have been retired for at least 25 years. In addition, an annual increase of 3 percent is added to this \$1,000 minimum benefit.

Pension Contributions

Funding is provided for new employer contributions towards the unfunded accrued actuarial liabilities in PERS Plan 1 and TRS Plan 1. Unfunded liability contributions begin on September 1, 2006, in TRS and the School Employees' Retirement System (SERS), and on January 1, 2007, in PERS and the Public Safety Employees' Retirement System (PSERS). Contribution rates will be 1.77 percent in PERS, 1.29 percent in TRS, 0.87 percent in SERS, and 1.77 percent in PSERS. State employer contributions that would normally be made from the General Fund-State are made from the new Pension Funding Stabilization Account instead. State and local government employer contributions towards the unfunded liabilities will continue to increase through the 2007-09 biennium as part of a three-year phase-in of contribution rates.

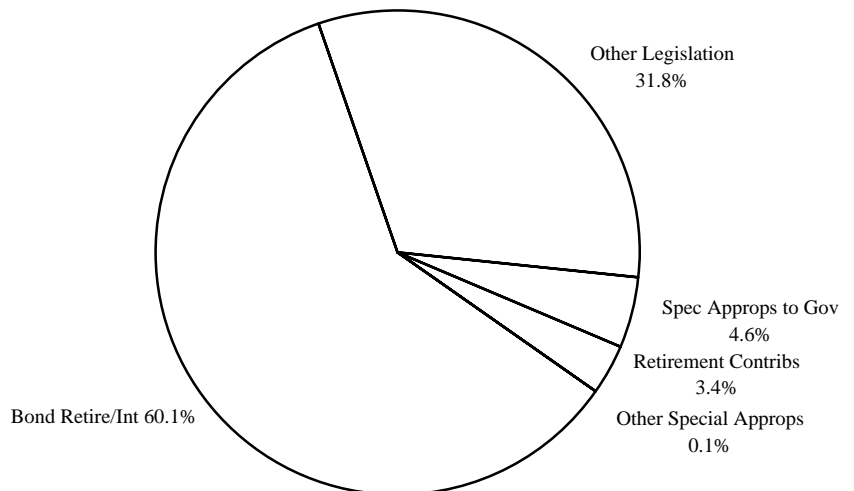
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
<i>Special Appropriations</i>	<i>2,595,329</i>
Statewide Total	51,288,737



Washington State

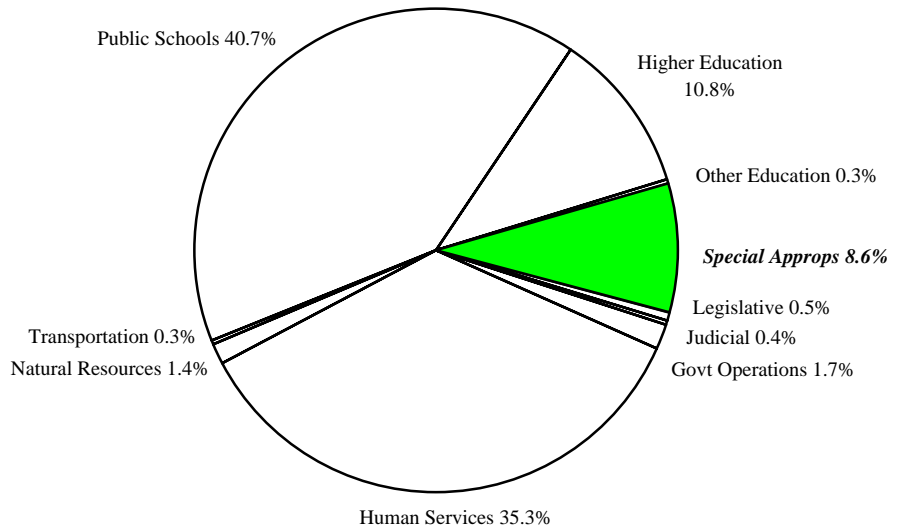
Bond Retire/Int	1,560,203
Other Legislation	825,000
Spec Approps to Gov	120,329
Retirement Contributions	87,840
Other Special Approps	1,957
<i>Special Appropriations</i>	<i>2,595,329</i>



Special Appropriations

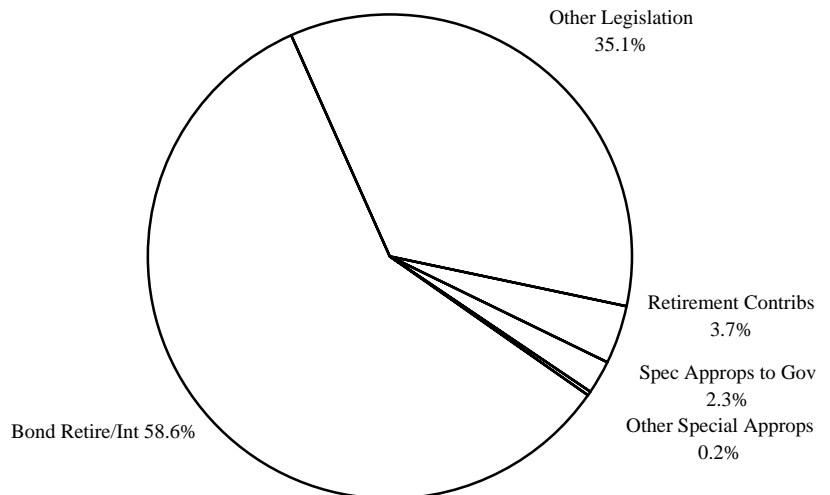
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
<i>Special Appropriations</i>	<i>2,349,573</i>
Statewide Total	27,297,906



Washington State

Bond Retire/Int	1,377,608
Other Legislation	825,000
Retirement Contributions	87,840
Spec Approps to Gov	53,570
Other Special Approps	5,555
<i>Special Appropriations</i>	<i>2,349,573</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,416,608	184,996	1,601,604
Total Maintenance Changes	-39,000	-2,401	-41,401
2005-07 Revised Appropriations	1,377,608	182,595	1,560,203
Fiscal Year 2006 Total	666,489	91,611	758,100
Fiscal Year 2007 Total	711,119	90,984	802,103

Comments:

There were no policy level changes.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest's budget is shown in the Transportation Budget Section of this document.

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	-4,587	55,070	50,483
Total Maintenance Changes	0	-3,000	-3,000
Policy Changes			
1. Fire Contingency	1,600	4,000	5,600
2. Life Sciences Discovery Fund Auth	992	0	992
3. Interoperable Communications	500	0	500
4. SmartBuy	2,798	0	2,798
5. Affordable Housing	14,000	0	14,000
6. Energy Freedom Program	23,000	0	23,000
7. Extraordinary Criminal Justice Cost	54	0	54
8. Community-Based Health Care	1,400	0	1,400
9. Personnel Litigation Settlement	11,813	10,689	22,502
10. Veterans' Innovations Program	2,000	0	2,000
Total Policy Changes	58,157	14,689	72,846
2005-07 Revised Appropriations	53,570	66,759	120,329
Fiscal Year 2006 Total	8,627	28,070	36,697
Fiscal Year 2007 Total	44,943	38,689	83,632

Comments:

1. **Fire Contingency** - The fire contingency pool was created in 1999 to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated directly to agencies. Funds are appropriated from the general fund to the Disaster Response Account to replenish the contingency pool. Additional funds are also provided from the Disaster Response Account for the 2006 fire season. (General Fund-State, Disaster Response Account-State)
2. **Life Sciences Discovery Fund Auth** - The Life Sciences Discovery Fund Authority was created by Chapter 424, Laws of 2005 (E2SSB 5581), to make grants for life sciences research. Additional funds are provided in FY 2007 for start-up costs.
3. **Interoperable Communications** - These funds are allocated based on recommendations from the State Interoperability Executive Committee (SIEC) for the most effective regional deployment of interoperable radio interconnect devices that allow crossband communications. This item includes an FTE for the coordination and management of this equipment.
4. **SmartBuy** - The original 2005-07 budget anticipated \$25 million of General Fund-State savings through the use of strategies being developed by the Department of General Administration, the State Printer, and the Department of Information Services to reduce the cost of goods and services. This item reflects a modification of these savings by exempting the state Community and Technical College System. However, the Governor vetoed the exemption for the Community and Technical College System, but the Governor's veto did not modify the revised level of anticipated savings of \$22.2 million General Fund-State.
5. **Affordable Housing** - Funding is provided for the implementation of Chapter 349, Laws of 2006, Partial Veto (E2SHB 2418 - Affordable Housing).
6. **Energy Freedom Program** - Funding is provided for implementation of the Energy Freedom Program enacted in Chapter 171, Laws of 2006 (E3SHB 2939), which provides financial assistance to political subdivisions, federally-recognized tribes, or state institutions of higher education for projects that convert farm products or waste into electricity or fuel. Funding is also provided for the development of biofuel oilseed crushers, supporting infrastructure, and facilities including a biomass turbine to be installed by the Grays Harbor Public Utility District.
7. **Extraordinary Criminal Justice Cost** - Funding is provided for extraordinary criminal justice costs in Grant County.
8. **Community-Based Health Care** - Funds are appropriated to the Community Health Care Collaborative Account in order to support community-based health care solutions as enacted in Chapter 67, Laws of 2006 (E2SSB 6459).
9. **Personnel Litigation Settlement** - Funding is provided solely for the purposes of the settlement of litigation involving compensation differentials among personnel classes, *W.P.E.A. v. State of Washington*. (General Fund-State, Special Personnel Litigation Revolving Account)
10. **Veterans' Innovations Program** - Funding is provided for Chapter 343, Laws of 2006 (2SHB 2754 - Veterans' Innovations Program).

Sundry Claims

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. Self-Defense Claims	52	0	52
2. Deer and Elk Damage Claims	0	102	102
3. Other Sundry Claims	3	0	3
Total Policy Changes	55	102	157
2005-07 Revised Appropriations	55	102	157
Fiscal Year 2006 Total	55	102	157
Fiscal Year 2007 Total	0	0	0

Comments:

1. **Self-Defense Claims** - Pursuant to RCW 9A.16.110, the Office of Risk Management recommends payment for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self defense. This appropriation includes claims received by the Legislature up to February 27, 2006.
2. **Deer and Elk Damage Claims** - Chapter 77.36 RCW directs the state to pay reimbursement for damages to crops caused by deer and elk. This appropriation includes claims received by the Legislature as of February 27, 2006. (State Wildlife Account-State)
3. **Other Sundry Claims** - Payment is made pursuant to RCW 68.60.050 for reinterment of human remains from historic graves.

Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	83,600	0	83,600
Total Maintenance Changes	4,140	0	4,140
Policy Changes			
1. Catastrophic Disability Allowance	100	0	100
2. Survivor Death Benefit	100	0	100
3. Governor Veto	-100	0	-100
Total Policy Changes	100	0	100
2005-07 Revised Appropriations	87,840	0	87,840
Fiscal Year 2006 Total	39,351	0	39,351
Fiscal Year 2007 Total	48,489	0	48,489

Comments:

1. **Catastrophic Disability Allowance** - Funding is provided solely for the increase in state contribution rates to the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System resulting from the creation of a new catastrophic disability benefit, pursuant to Chapter 39, Laws of 2006 (HB 2932).
2. **Survivor Death Benefit** - Funding is provided solely for the increase in state contribution rates to the LEOFF Plan 2 (LEOFF 2) required to fund reimbursements for medical insurance premiums for surviving spouses of LEOFF 2 members who were killed in the line of duty (SHB 2934). This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
3. **Governor Veto** - The Governor vetoed Section 708(1)(d) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which would have provided funding for the state portion of the increase in contributions to the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) resulting from the reimbursement for medical insurance premium costs for surviving spouses of LEOFF 2 members who were killed in the line of duty, pursuant to SHB 2934, which was not enacted. The benefit increase is not affected because the companion bill to SHB 2934 (SB 6723) was enacted.

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,400	-3,900	500
Policy Changes			
1. Plan 1 Minimum Monthly Benefit	500	200	700
2. Five-Year Vesting in Plans 3	600	0	600
Total Policy Changes	1,100	200	1,300
2005-07 Revised Appropriations	5,500	-3,700	1,800
Fiscal Year 2006 Total	0	0	0
Fiscal Year 2007 Total	5,500	-3,700	1,800

Comments:

1. **Plan 1 Minimum Monthly Benefit** - Funding is provided for additional employer contributions resulting from the addition of a 3 percent per year annual increase to the \$1,000 minimum monthly benefit available in Plan 1 of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS), pursuant to Chapter 244, Laws of 2006 (SB 6453). (General Fund-State, various other funds)
2. **Five-Year Vesting in Plans 3** - Funding is for the increased employer contribution rates resulting from the reduction of the vesting requirement in Plan 3 of PERS, TRS, and the School Employees' Retirement System from 10 years to 5 years for members who have earned 12 months of service credit after age 44, pursuant to Chapter 33, Laws of 2006 (SHB 2684). (Department of Retirement Systems Expense Account-State)

Other Legislation

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. State Fiscal Reserves	825,000	0	825,000
Total Policy Changes	825,000	0	825,000
2005-07 Revised Appropriations	825,000	0	825,000
Fiscal Year 2006 Total	825,000	0	825,000
Fiscal Year 2007 Total	0	0	0

Comments:

1. **State Fiscal Reserves** - Chapter 56, Laws of 2006 (ESSB 6896 - State Funding Stabilization), appropriates \$825 million from the state general fund in FY 2006: \$275 million is appropriated to the Student Achievement Fund; \$200 million is appropriated to the Health Services Account; and \$350 million is appropriated to the newly-created Pension Funding Stabilization Account. A portion of the amounts appropriated to these accounts was spent in the 2005-07 biennium (\$49 million in the Pension Funding Stabilization Account and \$57 million in the Health Services Account); the remainder is available for future budgets.

